

AMENDED IN SENATE JULY 12, 2005

AMENDED IN SENATE JUNE 21, 2005

AMENDED IN ASSEMBLY APRIL 28, 2005

AMENDED IN ASSEMBLY APRIL 11, 2005

CALIFORNIA LEGISLATURE—2005—06 REGULAR SESSION

## ASSEMBLY BILL

**No. 885**

**Introduced by Assembly Member Keene**

February 18, 2005

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An act to amend Sections 2924b and 2924g of the Civil Code, ~~and to amend Section 17331.2 of the Financial Code,~~ relating to real property.

### LEGISLATIVE COUNSEL'S DIGEST

AB 885, as amended, Keene. Real property: ~~escrow agents.~~  
*mortgages.*

(1) Existing law requires a person recording a notice of default or a notice of sale under any deed of trust or mortgage with power of sale to perform specified actions. These actions include, but are not limited to, mailing a copy of the notice with the recording date shown and a copy of the notice of the time and place of sale, as specified, to each person requesting a copy and to each trustor or mortgagor at his or her last known address if different than the address specified in the deed of trust or mortgage with power of sale.

This bill would modify the definition of "last known address" for purposes of these provisions.

(2) Existing law provides that all sales of property under the power of sale contained in any deed of trust or mortgage shall commence at the time and location specified in the notice of sale, and requires any

postponement to be announced at that time and location or at any time prior to the completion of the sale at the discretion of the trustee or upon instruction by the beneficiary to the trustee that the sale proceedings be postponed. Existing law permits a maximum of 3 postponements of the sale proceedings, and requires a new notice of sale to be given before any further sale proceedings may be scheduled. Existing law also requires the trustee to postpone the sale upon the order of any court of competent jurisdiction, or where stayed by operation of law, or by the mutual agreement of any trustor and any beneficiary or any mortgagor and any mortgagee; however, any such postponement does not count in determining the maximum number of postponements permitted without giving a new notice of sale.

This bill, instead, would permit any number of postponements of the sale proceedings at any time prior to the completion of the sale, for any period of time not to exceed a total of ~~180~~ 365 days from the date set forth in the notice of sale, upon the order of any court of competent jurisdiction, where stayed by operation of law, by mutual agreement of any trustor and any beneficiary or any mortgagor and any mortgagee, at the discretion of the trustee, or upon instruction by the beneficiary to the trustee that the sale proceedings be postponed. Any postponements beyond the ~~180-day~~ 365-day period would require a new notice of sale to be given before any further sale proceedings may be scheduled.

~~(3) Existing law, the Escrow Law, provides for licensing and regulation by the Commissioner of Corporations of persons engaged in business as escrow agents, unless specifically exempted. Existing law requires persons licensed as escrow agents to be members of the Escrow Agents' Fidelity Corporation, which is established as a nonprofit corporation to indemnify its members against loss, subject in certain cases to a deductible, and which is funded by fees and assessments on its members. Existing law requires employees of escrow agents and various other persons to obtain a certificate from the corporation as a condition of employment or compensation. Existing law requires Fidelity Corporation to deny the application for a certificate or to revoke the certificate of any person, upon specified grounds, including, but not limited to, that the person has been convicted of, or pleaded nolo contendere to, a crime or offense that involved dishonesty, fraud, deceit, embezzlement, fraudulent conversion, misappropriation of property, or any other crime~~

~~reasonably related to the qualifications, functions, or duties of a person engaged in business as an escrow agent.~~

~~This bill would provide that any action that Fidelity Corporation is required to take following the establishment of a conviction may be taken when the time for appeal has elapsed, the judgment of conviction has been affirmed on appeal, or an order granting probation is made, as specified. The bill would make another conforming change.~~

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 2924b of the Civil Code is amended to  
2 read:  
3 2924b. (a) Any person desiring a copy of any notice of  
4 default and of any notice of sale under any deed of trust or  
5 mortgage with power of sale upon real property or an estate for  
6 years therein, as to which deed of trust or mortgage the power of  
7 sale cannot be exercised until these notices are given for the time  
8 and in the manner provided in Section 2924 may, at any time  
9 subsequent to recordation of the deed of trust or mortgage and  
10 prior to recordation of notice of default thereunder, cause to be  
11 filed for record in the office of the recorder of any county in  
12 which any part or parcel of the real property is situated, a duly  
13 acknowledged request for a copy of the notice of default and of  
14 sale. This request shall be signed and acknowledged by the  
15 person making the request, specifying the name and address of  
16 the person to whom the notice is to be mailed, shall identify the  
17 deed of trust or mortgage by stating the names of the parties  
18 thereto, the date of recordation thereof, and the book and page  
19 where the deed of trust or mortgage is recorded or the recorder's  
20 number, and shall be in substantially the following form:

Name	Address
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Signature \_\_\_\_\_

(2) At least 20 days before the date of sale, deposit or cause to be deposited in the United States mail an envelope, sent by registered or certified mail with postage prepaid, containing a copy of the notice of the time and place of sale, addressed to each person whose name and address are set forth in a duly recorded request therefor, directed to the address designated in the request and to each trustor or mortgagor at his or her last known address if different than the address specified in the deed of trust or mortgage with power of sale.

(3) As used in paragraphs (1) and (2), the “last known address” of each trustor or mortgagor means the last business or residence physical address actually known by the mortgagee, beneficiary, trustee, or other person authorized to record the notice of default ~~according to~~. *For the purposes of this subdivision, an address is “actually known” if it is contained in the original deed of trust or mortgage or, or in any subsequent written notification of a change of physical address from the trustor or mortgagor pursuant to the deed of trust or mortgage.* For the purposes of this subdivision, “physical address” does not include an e-mail or any form of electronic address for a trustor or mortgagor. The beneficiary shall inform the trustee of the trustor’s last address actually known by the beneficiary. However, the trustee shall incur no liability for failing to send any notice to the last address unless the trustee has actual knowledge of it.

(4) A “person authorized to record the notice of default or the notice of sale” shall include an agent for the mortgagee or beneficiary, an agent of the named trustee, any person designated in an executed substitution of trustee, or an agent of that substituted trustee.

(c) The mortgagee, trustee, or other person authorized to record the notice of default or the notice of sale shall do the following:

(1) Within one month following recordation of the notice of default, deposit or cause to be deposited in the United States mail an envelope, sent by registered or certified mail with postage prepaid, containing a copy of the notice with the recording date shown thereon, addressed to each person set forth in paragraph (2), provided that the estate or interest of any person entitled to receive notice under this subdivision is acquired by an instrument sufficient to impart constructive notice of the estate or interest in the land or portion thereof which is subject to the deed of trust or mortgage being foreclosed, and provided the instrument is recorded in the office of the county recorder so as to impart that constructive notice prior to the recording date of the notice of default and provided the instrument as so recorded sets forth a mailing address which the county recorder shall use, as instructed within the instrument, for the return of the instrument after

1 recording, and which address shall be the address used for the  
2 purposes of mailing notices herein.

3 (2) The persons to whom notice shall be mailed under this  
4 subdivision are:

5 (A) The successor in interest, as of the recording date of the  
6 notice of default, of the estate or interest or any portion thereof of  
7 the trustor or mortgagor of the deed of trust or mortgage being  
8 foreclosed.

9 (B) The beneficiary or mortgagee of any deed of trust or  
10 mortgage recorded subsequent to the deed of trust or mortgage  
11 being foreclosed, or recorded prior to or concurrently with the  
12 deed of trust or mortgage being foreclosed but subject to a  
13 recorded agreement or a recorded statement of subordination to  
14 the deed of trust or mortgage being foreclosed.

15 (C) The assignee of any interest of the beneficiary or  
16 mortgagee described in subparagraph (B), as of the recording  
17 date of the notice of default.

18 (D) The vendee of any contract of sale, or the lessee of any  
19 lease, of the estate or interest being foreclosed which is recorded  
20 subsequent to the deed of trust or mortgage being foreclosed, or  
21 recorded prior to or concurrently with the deed of trust or  
22 mortgage being foreclosed but subject to a recorded agreement or  
23 statement of subordination to the deed of trust or mortgage being  
24 foreclosed.

25 (E) The successor in interest to the vendee or lessee described  
26 in subparagraph (D), as of the recording date of the notice of  
27 default.

28 (F) The office of the Controller, Sacramento, California,  
29 where, as of the recording date of the notice of default, a "Notice  
30 of Lien for Postponed Property Taxes" has been recorded against  
31 the real property to which the notice of default applies.

32 (3) At least 20 days before the date of sale, deposit or cause to  
33 be deposited in the United States mail an envelope, sent by  
34 registered or certified mail with postage prepaid, containing a  
35 copy of the notice of the time and place of sale addressed to each  
36 person to whom a copy of the notice of default is to be mailed as  
37 provided in paragraphs (1) and (2), and addressed to the office of  
38 any state taxing agency, Sacramento, California, which has  
39 recorded, subsequent to the deed of trust or mortgage being  
40 foreclosed, a notice of tax lien prior to the recording date of the

1 notice of default against the real property to which the notice of  
2 default applies.

3 (4) Provide a copy of the notice of sale to the Internal Revenue  
4 Service, in accordance with Section 7425 of the Internal Revenue  
5 Code and any applicable federal regulation, if a “Notice of  
6 Federal Tax Lien under Internal Revenue Laws” has been  
7 recorded, subsequent to the deed of trust or mortgage being  
8 foreclosed, against the real property to which the notice of sale  
9 applies. The failure to provide the Internal Revenue Service with  
10 a copy of the notice of sale pursuant to this paragraph shall be  
11 sufficient cause to rescind the trustee’s sale and invalidate the  
12 trustee’s deed, at the option of either the successful bidder at the  
13 trustee’s sale or the trustee, and in either case with the consent of  
14 the beneficiary. Any option to rescind the trustee’s sale pursuant  
15 to this paragraph shall be exercised prior to any transfer of the  
16 property by the successful bidder to a bona fide purchaser for  
17 value. A rescission of the trustee’s sale pursuant to this paragraph  
18 may be recorded in a notice of rescission pursuant to Section  
19 1058.5.

20 (5) The mailing of notices in the manner set forth in paragraph  
21 (1) shall not impose upon any licensed attorney, agent, or  
22 employee of any person entitled to receive notices as herein set  
23 forth any duty to communicate the notice to the entitled person  
24 from the fact that the mailing address used by the county recorder  
25 is the address of the attorney, agent, or employee.

26 (d) Any deed of trust or mortgage with power of sale hereafter  
27 executed upon real property or an estate for years therein may  
28 contain a request that a copy of any notice of default and a copy  
29 of any notice of sale thereunder shall be mailed to any person or  
30 party thereto at the address of the person given therein, and a  
31 copy of any notice of default and of any notice of sale shall be  
32 mailed to each of these at the same time and in the same manner  
33 required as though a separate request therefor had been filed by  
34 each of these persons as herein authorized. If any deed of trust or  
35 mortgage with power of sale executed after September 19, 1939,  
36 except a deed of trust or mortgage of any of the classes excepted  
37 from the provisions of Section 2924, does not contain a mailing  
38 address of the trustor or mortgagor therein named, and if no  
39 request for special notice by the trustor or mortgagor in  
40 substantially the form set forth in this section has subsequently

1 been recorded, a copy of the notice of default shall be published  
2 once a week for at least four weeks in a newspaper of general  
3 circulation in the county in which the property is situated, the  
4 publication to commence within 10 business days after the filing  
5 of the notice of default. In lieu of publication, a copy of the  
6 notice of default may be delivered personally to the trustor or  
7 mortgagor within the 10 business days or at any time before  
8 publication is completed, or by posting the notice of default in a  
9 conspicuous place on the property and mailing the notice to the  
10 last known address of the trustor or mortgagor.

11 (e) Any person required to mail a copy of a notice of default or  
12 notice of sale to each trustor or mortgagor pursuant to  
13 subdivision (b) or (c) by registered or certified mail shall  
14 simultaneously cause to be deposited in the United States mail,  
15 with postage prepaid and mailed by first-class mail, an envelope  
16 containing an additional copy of the required notice addressed to  
17 each trustor or mortgagor at the same address to which the notice  
18 is sent by registered or certified mail pursuant to subdivision (b)  
19 or (c). The person shall execute and retain an affidavit identifying  
20 the notice mailed, showing the name and residence or business  
21 address of that person, that he or she is over the age of 18 years,  
22 the date of deposit in the mail, the name and address of the  
23 trustor or mortgagor to whom sent, and that the envelope was  
24 sealed and deposited in the mail with postage fully prepaid. In  
25 the absence of fraud, the affidavit required by this subdivision  
26 shall establish a conclusive presumption of mailing.

27 (f) No request for a copy of any notice filed for record  
28 pursuant to this section, no statement or allegation in the request,  
29 and no record thereof shall affect the title to real property or be  
30 deemed notice to any person that any person requesting copies of  
31 notice has or claims any right, title, or interest in, or lien or  
32 charge upon the property described in the deed of trust or  
33 mortgage referred to therein.

34 (g) "Business day," as used in this section, has the meaning  
35 specified in Section 9.

36 SEC. 2. Section 2924g of the Civil Code is amended to read:

37 2924g. (a) All sales of property under the power of sale  
38 contained in any deed of trust or mortgage shall be held in the  
39 county where the property or some part thereof is situated, and  
40 shall be made at auction, to the highest bidder, between the hours



1 of 9 a.m. and 5 p.m. on any business day, Monday through  
2 Friday.

3 The sale shall commence at the time and location specified in  
4 the notice of sale. Any postponement shall be announced at the  
5 time and location specified in the notice of sale for  
6 commencement of the sale or pursuant to paragraph (1) of  
7 subdivision (c).

8 If the sale of more than one parcel of real property has been  
9 scheduled for the same time and location by the same trustee, (1)  
10 any postponement of any of the sales shall be announced at the  
11 time published in the notice of sale, (2) the first sale shall  
12 commence at the time published in the notice of sale or  
13 immediately after the announcement of any postponement, and  
14 (3) each subsequent sale shall take place as soon as possible after  
15 the preceding sale has been completed.

16 (b) When the property consists of several known lots or  
17 parcels, they shall be sold separately unless the deed of trust or  
18 mortgage provides otherwise. When a portion of the property is  
19 claimed by a third person, who requires it to be sold separately,  
20 the portion subject to the claim may be thus sold. The trustor, if  
21 present at the sale, may also, unless the deed of trust or mortgage  
22 otherwise provides, direct the order in which property shall be  
23 sold, when the property consists of several known lots or parcels  
24 which may be sold to advantage separately, and the trustee shall  
25 follow that direction. After sufficient property has been sold to  
26 satisfy the indebtedness, no more can be sold.

27 If the property under power of sale is in two or more counties,  
28 the public auction sale of all of the property under the power of  
29 sale may take place in any one of the counties where the property  
30 or a portion thereof is located.

31 (c) (1) There may be a postponement or postponements of the  
32 sale proceedings, *including a postponement upon instruction by*  
33 *the beneficiary to the trustee that the sale proceedings be*  
34 *postponed*, at any time prior to the completion of the sale for any  
35 period of time not to exceed a total of ~~180~~ 365 days from the date  
36 set forth in the notice of sale. The trustee shall postpone the sale  
37 in accordance with any of the following:

38 (A) Upon the order of any court of competent jurisdiction.

39 (B) If stayed by operation of law.

1 (C) By mutual agreement, whether oral or in writing, of any  
2 trustor and any beneficiary or any mortgagor and any mortgagee.

3 (D) At the discretion of the trustee.

4 ~~(E) Upon instruction by the beneficiary to the trustee that the~~  
5 ~~sale proceedings be postponed.~~

6 (2) In the event that the sale proceedings are postponed for a  
7 period or periods totaling more than ~~180~~ 365 days, the scheduling  
8 of any further sale proceedings shall be preceded by giving a new  
9 notice of sale in the manner prescribed in Section 2924f. New  
10 fees incurred for the new notice of sale shall not exceed the  
11 amounts specified in Sections 2924c and 2924d, and shall not  
12 exceed reasonable costs that are necessary to comply with this  
13 paragraph.

14 (d) The notice of each postponement and the reason therefor  
15 shall be given by public declaration by the trustee at the time and  
16 place last appointed for sale. A public declaration of  
17 postponement shall also set forth the new date, time, and place of  
18 sale and the place of sale shall be the same place as originally  
19 fixed by the trustee for the sale. No other notice of postponement  
20 need be given. However, the sale shall be conducted no sooner  
21 than on the seventh day after the earlier of (1) dismissal of the  
22 action or (2) expiration or termination of the injunction,  
23 restraining order, or stay that required postponement of the sale,  
24 whether by entry of an order by a court of competent jurisdiction,  
25 operation of law, or otherwise, unless the injunction, restraining  
26 order, or subsequent order expressly directs the conduct of the  
27 sale within that seven-day period. For purposes of this  
28 subdivision, the seven-day period shall not include the day on  
29 which the action is dismissed, or the day on which the injunction,  
30 restraining order, or stay expires or is terminated. If the sale had  
31 been scheduled to occur, but this subdivision precludes its  
32 conduct during that seven-day period, a new notice of  
33 postponement shall be given if the sale had been scheduled to  
34 occur during that seven-day period. The trustee shall maintain  
35 records of each postponement and the reason therefor.

36 (e) Notwithstanding the time periods established under  
37 subdivision (d), if postponement of a sale is based on a stay  
38 imposed by Title 11 of the United States Code (bankruptcy), the  
39 sale shall be conducted no sooner than the expiration of the stay

1 imposed by that title and the seven-day provision of subdivision  
2 (d) shall not apply.

3 SEC. 3. ~~Section 17331.2 of the Financial Code is amended to~~  
4 ~~read:~~

5 ~~17331.2. (a) Fidelity Corporation shall deny the application~~  
6 ~~for a certificate or revoke the certificate of any person, upon any~~  
7 ~~of the following grounds:~~

8 ~~(1) The application contains a material misrepresentation of~~  
9 ~~fact or fails to disclose a material fact so as to render the~~  
10 ~~application false or misleading, or if any fact or condition exists~~  
11 ~~which, if it had existed at the time of the original application for~~  
12 ~~a certificate, reasonably would have warranted Fidelity~~  
13 ~~Corporation to refuse originally to issue that certificate.~~

14 ~~(2) (A) That the person has been convicted of a crime or~~  
15 ~~offense, whether a felony, an offense punishable as a felony, or a~~  
16 ~~misdemeanor, that involved dishonesty, fraud, deceit,~~  
17 ~~embezzlement, fraudulent conversion, misappropriation of~~  
18 ~~property, or any other crime reasonably related to the~~  
19 ~~qualifications, functions, or duties of a person engaged in~~  
20 ~~business in accordance with this division. A conviction within~~  
21 ~~the meaning of this section is a plea or verdict of guilty or a~~  
22 ~~conviction following a plea of nolo contendere. Any action that~~  
23 ~~Fidelity Corporation is required to take following the~~  
24 ~~establishment of a conviction may be taken as follows:~~

25 ~~(i) When the time for appeal has elapsed.~~

26 ~~(ii) When the judgment of conviction has been affirmed on~~  
27 ~~appeal.~~

28 ~~(iii) When an order granting probation is made suspending the~~  
29 ~~imposition of sentence, notwithstanding a subsequent order~~  
30 ~~pursuant to Section 1203.4 or 1203.4a of the Penal Code~~  
31 ~~permitting the person to withdraw his or her plea of guilty or~~  
32 ~~nolo contendere and to enter a plea of not guilty, or setting aside~~  
33 ~~the verdict of guilty, or dismissing the accusation, information, or~~  
34 ~~indictment.~~

35 ~~(B) If, however, any of the following apply, then the person~~  
36 ~~may have a Fidelity Corporation certificate upon showing by~~  
37 ~~clear and convincing proof to a reasonable certainty that the~~  
38 ~~conviction is no longer reasonably related to the qualifications,~~  
39 ~~functions, or duties of a person engaged in business in~~

1 accordance with this division or that person's employment with a  
2 member:

- 3 (i) ~~The conviction is more than 10 years old.~~  
4 (ii) ~~The conviction has been expunged.~~  
5 (iii) ~~The person has obtained a certificate of rehabilitation, as~~  
6 ~~allowed by the Penal Code.~~  
7 (iv) ~~The conviction was an infraction.~~  
8 (v) ~~The person obtained relief pursuant to Section 1203.4 or~~  
9 ~~1203.4a of the Penal Code.~~

10 (3) ~~That the person has been held liable in a civil action by~~  
11 ~~final judgment of any court if the judgment involved dishonesty,~~  
12 ~~fraud, deceit, embezzlement, fraudulent conversion, or~~  
13 ~~misappropriation of property or the person has been ordered to~~  
14 ~~make restitution to a victim in any criminal case involving a~~  
15 ~~crime or offense set forth in paragraph (2). The person may have~~  
16 ~~a Fidelity Corporation certificate upon showing by clear and~~  
17 ~~convincing proof to a reasonable certainty that the judgment or~~  
18 ~~restitution order is no longer reasonably related to the~~  
19 ~~qualifications, functions, or duties of a person engaged in~~  
20 ~~business in accordance with this division or that person's~~  
21 ~~employment with a member.~~

22 (4) ~~That the person has (A) committed or caused to be~~  
23 ~~committed an act which caused any member to suffer a loss; (B)~~  
24 ~~committed or caused to be committed or colluded with any other~~  
25 ~~person committing any act which caused a loss, for which~~  
26 ~~Fidelity Corporation or the insurer on any insurance policy or~~  
27 ~~fidelity bond purchased by Fidelity Corporation, or both, to~~  
28 ~~become liable to indemnify any member; or (C) committed or~~  
29 ~~caused to be committed an act of dishonesty, fraud, deceit,~~  
30 ~~embezzlement, fraudulent conversion, or misappropriation of~~  
31 ~~property, to the material damage of a member or for which the~~  
32 ~~member has been held liable to any third party, by final~~  
33 ~~judgment.~~

34 (5) ~~That the person has been barred from employment by final~~  
35 ~~order of the commissioner pursuant to Section 17423.~~

36 (6) ~~That the person has been deemed not qualified to serve in~~  
37 ~~any capacity as a director or officer or in any other position~~  
38 ~~involving management duties with a financial institution,~~  
39 ~~pursuant to Division 1.8 (commencing with Section 4990).~~

1     ~~(7) That the person has been denied coverage or reinstatement~~  
2 ~~by any insurer under any fidelity bond or crime policy, unless a~~  
3 ~~decision of reinstatement of coverage has been made after that~~  
4 ~~denial. A person who obtained a decision of reinstatement of~~  
5 ~~coverage prior to the effective date of this section may have a~~  
6 ~~Fidelity Corporation certificate notwithstanding paragraphs (2)~~  
7 ~~and (3) of this subdivision, unless any other ground for denial or~~  
8 ~~revocation applies to that person.~~

9     ~~(b) Fidelity Corporation may suspend the certificate of any~~  
10 ~~person upon any of the following grounds:~~

11     ~~(1) That the person has been censured or suspended from any~~  
12 ~~position of employment or management or control of any escrow~~  
13 ~~agent, by final order of the commissioner. The certificate~~  
14 ~~suspension shall be for a term concurrent with the final order of~~  
15 ~~the commissioner.~~

16     ~~(2) That there is an action commenced by the commissioner to~~  
17 ~~either suspend or bar that person, under Section 17423.~~

18     ~~(3) That the person has been barred from any position of~~  
19 ~~employment or management or control of any escrow agent, for~~  
20 ~~a term less than permanent, by final order of the commissioner.~~  
21 ~~The certificate suspension shall be for a term concurrent with the~~  
22 ~~final order of the commissioner.~~

23     ~~(4) That any member with whom the person was employed has~~  
24 ~~given a proof of loss or a notice of an occurrence which may give~~  
25 ~~rise to a claim for a loss of trust obligations either of which~~  
26 ~~identifies the person as the person responsible for the loss or as a~~  
27 ~~person acting in collusion with the person causing the loss.~~

28     ~~(e) Upon denial of an application for, or upon suspension or~~  
29 ~~revocation of the certificate of any person, Fidelity Corporation~~  
30 ~~shall provide written notice to the member with whom that~~  
31 ~~person is employed of the decision, pending any appeal~~  
32 ~~therefrom which might be made. Thereafter, the member shall~~  
33 ~~not allow that person to have access to money or negotiable~~  
34 ~~instruments or securities belonging to or in the possession of the~~  
35 ~~escrow agent, or to draw checks upon the escrow agent or the~~  
36 ~~trust accounts of the escrow agent, but that person may otherwise~~  
37 ~~continue in the performance and discharge of other duties of an~~  
38 ~~employee. Fidelity Corporation shall notify the person in writing~~  
39 ~~of the decision to deny, suspend, or revoke the certificate and of~~  
40 ~~the person's right of appeal, together with the notice of appeal.~~

1 The grounds and basis for the decision shall be stated in the  
2 notice thereof. All notices may be served either personally or by  
3 mail, properly addressed to the address of record for the member  
4 and the person.

5 (d) Any person whose application for a certificate has been  
6 denied, or whose certificate has been suspended or revoked, may  
7 appeal the decision, as provided in Section 17331.3. While that  
8 appeal is pending, the person may not have access to money or  
9 negotiable instruments or securities belonging to or in the  
10 possession of the escrow agent, or to draw checks upon the  
11 escrow agent or the trust accounts of the escrow agent, but that  
12 person may otherwise continue in the performance and discharge  
13 of other duties of an employee pending final decision of that  
14 person's appeal. Failure to remove the person whose application  
15 has been denied, or whose certificate has been suspended or  
16 revoked, as a signer on the trust accounts may be subject to  
17 action by the commissioner as provided for in this division and  
18 shall be subject to penalties as set forth in Section 17331.1.

19 (e) Upon expiration of the time for an appeal, or upon  
20 conclusion of the appeal, the decision to deny an application for  
21 or to suspend or revoke the certificate of any person shall become  
22 final. Fidelity Corporation shall give written notice to the  
23 member and to the person of the final decision within 10 days.  
24 Thereafter, Fidelity Corporation shall disclose in writing to all  
25 members the identity of persons whose application has been  
26 denied or whose certificate has been revoked.